

**IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA**  
**Civil Division**

DISTRICT OF COLUMBIA,  
a Municipal Corporation,

Petitioner,

v.

OCEAN RISK RETENTION GROUP,  
INC.

Respondent.

Civil Action No.: 13-6110 2

Judge: Wright

Calendar No.: 15

Next Event: Status Conference

4/7/15 at 9:30am

**OCEAN RISK RETENTION GROUP, INC.'S MOTION  
TO EXTEND STAY AND INJUNCTION CURRENTLY EXPIRING ON  
DECEMBER 9, 2014**

The District of Columbia (the "District"), at the request and on behalf of Chester A. McPherson, Acting Commissioner of the District of Columbia Department of Insurance, Securities and Banking, as Liquidator of Ocean Risk Retention Group, Inc. ("Ocean"), acting by and through the Office of the Attorney General for the District of Columbia, respectfully moves this Court for an order extending for an additional one (1) year, until December 9, 2015, the stay and injunction established by this Court's Order Staying and Enjoining All Litigation issued on September 24, 2013, as clarified by this Court's Supplementary Order Clarifying September 24, 2013 Order Staying and Enjoining All Litigation, issued on December 9, 2013 (together, the "Stay Orders").

Specifically, the existing stay and injunction of litigation involving Ocean's Policyholders currently is set to expire on December 9, 2014, but the Liquidator needs additional time in which to resolve claims against Ocean's liquidation estate. The Petitioner therefore requests that the Court extend the stay and injunction for litigation involving Ocean's Policyholders for an additional one (1) year while leaving all other aspects of the Stay Order unchanged – including but not limited to the stay and injunction of litigation against Ocean itself until further order of this Court – to ensure

that the pendency of such litigation does not adversely affect the fair, equitable, and efficient resolution of claims against Ocean's liquidation estate while the Liquidator continues to resolve claims and complete Ocean's liquidation.

For the reasons stated more fully in the Memorandum of Points and Authorities, incorporated herein by reference, the Petitioner therefore requests that the Court enter the attached order.

November 24<sup>th</sup>, 2014

Respectfully submitted,

EUGENE A. ADAMS  
Interim Attorney General for the  
District of Columbia

ELLEN A. EFROS  
Deputy Attorney General  
Public Interest Division

/s/ *Stephane J. Latour*  
STEPHANE J. LATOUR  
Chief, Civil Enforcement Section

/s/ *E. Louise R. Phillips*  
E. LOUISE R. PHILLIPS  
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Attorneys for the District of Columbia

**CERTIFICATION PURSUANT TO SCR-CIVIL 12-I**

The captioned litigation is an insurance liquidation proceeding and the District is now the only party to the litigation; therefore, the requirement under SCR-Civil 12-I(a) to request consent to this motion from an opposing party does not apply.

*/s/ E. Louise R. Phillips*  
E. LOUISE R. PHILLIPS  
Assistant Attorney General

**CERTIFICATE OF SERVICE**

I hereby certify that on this 24<sup>th</sup> day of November, 2014, a copy of the foregoing was served by email or CaseFileXpress upon:

Chester A. McPherson  
Liquidator for Ocean Risk Retention Group, Inc.  
c/o Stephanie Schmelz  
DISB, Office of the General Counsel  
810 First Street, NE, Suite 701  
Washington, D.C. 20002  
Stephanie.Schmelz@dc.gov

Robert H. Myers, Jr.  
Special Deputy Liquidator for Ocean Risk Retention Group, Inc.  
Morris, Manning & Martin, LLP  
1401 Eye Street, N.W.  
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**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF OCEAN RISK  
RETENTION GROUP, INC.'S MOTION TO EXTEND STAY AND  
INJUNCTION CURRENTLY EXPIRING ON DECEMBER 9, 2014**

The District, at the request and on behalf of Ocean's Liquidator, through their attorneys, respectfully moves this Court for an order extending for an additional one (1) year, until December 9, 2015, the stay and injunction established by this Court's Stay Orders, and in support states the following:

**BACKGROUND AND PROCEDURAL HISTORY**

1. Ocean is a captive insurer organized and licensed under the laws of the District. Ocean offered liability insurance to taxi owner-operators and to taxi fleet owners in New Jersey and Pennsylvania.
2. Following the filing of the Emergency Consent Petition for an Expedited Order of Liquidation of Liquidation of Ocean Risk Retention Group, Inc. Pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316 and 31-3931.01 *et seq.* (the "Emergency Consent Petition"), the Court issued an Emergency Consent Order for Ocean's liquidation on September 6, 2013.
3. The Court subsequently, in an order issued on September 24, 2013, stayed all litigation against Ocean and its Policyholders in all cases where Ocean might have a duty to defend

or indemnify and enjoined the commencement or continuation of litigation against them. The stay and injunction for litigation involving Ocean was mandated “until further order of this Court,” while the stay and injunction for litigation involving Ocean’s Policyholders was limited to a period of one year from entry of the Order, i.e., until September 24, 2014.

4. At the Liquidator’s request, the Court issued a supplementary stay order on December 9, 2014, to clarify that the initial stay order did not bar Ocean from filing and litigating subrogation claims. The supplementary stay order also extended the stay until December 9, 2014.

### **REQUEST FOR EXTENSION OF STAY AND INJUNCTION**

5. The basis and purpose of the Stay Orders was detailed in prior pleadings and remain equally applicable now, as described briefly below.

6. The estate of Ocean, in Liquidation, is insolvent and has limited assets, as set forth in detail in prior pleadings, including but not limited to the Emergency Consent Petition and the Status Reports that the Liquidator has filed with this Court. Ocean now has over 630 claims from persons or entities seeking compensation from Ocean or its Policyholders. As described in the Third Status Report, as of September 30, 2014, Ocean has under \$2.7 million in cash assets while the Special Deputy Liquidator values the approved policyholder claims at over \$6.1 million as of October 2014.

7. The Liquidator is in the process of resolving all claims against Ocean and its Policyholders but anticipates it will take at least an additional year, and likely more, to resolve the claims and complete Ocean’s liquidation.

8. District law requires an automatic stay of all suits against an insurer being liquidated, and empowers the liquidation court to stay other suits to ensure that they do not interfere with the liquidation proceedings. *See* D.C. Official Code §§ 31-1322(a), 31-1304(a) (2012 Repl.).

9. The stay of existing litigation and the injunction against initiating additional litigation involving Ocean and its Policyholders prevents claimants from obtaining advantages in the

resolution of their claims against the liquidation estate. It prevents certain claimants from gaining a priority over other claimants to which they otherwise would not be entitled. Notably, it also prevents inconsistent adjudication of identical or similar claims. Thus the stay and injunction advances the purpose of the liquidation process—namely, that all claims will be fairly, consistently and equitably resolved in the liquidation proceeding pending before this Court.

10. Under the Stay Orders, the stay and injunction with respect to litigation against Ocean is effective until further order of this Court, but the stay and injunction with respect to litigation against Ocean's Policyholders expires December 9, 2014.

11. Because the resolution of claims against Ocean and its Policyholders will take at least another year, the District believes it is appropriate to extend the stay and injunction against litigation with respect to Policyholders for an additional one (1) year while leaving the continuing stay and injunction with respect to litigation against Ocean in place and otherwise leaving the Stay Orders unchanged.

12. Under the Stay Orders, this Court expressly retained jurisdiction to modify or extend the stay and injunction provided therein.

#### **RELIEF REQUESTED**


Wherefore, for the reasons discussed above, the Petitioner moves the Court for the entry of an order extending the stay and injunction with respect to litigation against Ocean's Policyholders for one (1) year, until December 9, 2015, but leaving all other aspects of the Stay Orders unchanged.

November 24<sup>th</sup>, 2014

Respectfully submitted,

EUGENE A. ADAMS  
Interim Attorney General for the  
District of Columbia

ELLEN A. EFROS  
Deputy Attorney General  
Public Interest Division

/s/ *Stephane J. Latour* 

STEPHANE J. LATOUR

Chief, Civil Enforcement Section

/s/ *E. Louise R. Phillips*

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**ORDER EXTENDING STAY AND INJUNCTION UNTIL DECEMBER 9, 2015**

Upon consideration of the Motion to Extend the Stay and Injunction, the Memorandum of Points and Authorities, and the entire record, the Court finds that: (1) this Court has the power to enter orders modifying its previous Orders under D.C. Official Code § 31-1304 (2012 Repl.); and (2) the Motion to Extend should be granted.

It is therefore, ORDERED as follows:

1. This Court's September 24, 2013 Stay Order (as clarified by this Court's Order of December 9, 2013) remains in effect and is extended such that:
  - a. All litigation pending against Ocean hereby remains stayed until further order of this Court;
  - b. All persons and entities hereby remain enjoined until further order of this Court from commencing or continuing any litigation against Ocean;
  - c. All litigation pending against any Policyholder is hereby stayed for an additional one (1) year, until December 9, 2015;



- d. All persons and entities are hereby enjoined from commencing or continuing any litigation against a Policyholder for an additional one (1) year, until December 9, 2015;
2. It is further ordered that no provision of this Order, the September 24, 2013 Stay Order, or the December 9, 2013 Clarifying Order shall be construed, interpreted, or understood to stay, enjoin, or otherwise interfere with Ocean's right as plaintiff to take legal action to recover assets from any person, including a Policyholder.
3. This Court shall retain jurisdiction to modify or extend the stay and injunction provided herein.

SIGNED and ENTERED \_\_\_\_\_, 2014.

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Melvin R. Wright  
Judge, D.C. Superior Court

cc: E. Louise R. Phillips  
Assistant Attorney General

Robert H. Myers, Jr.  
Special Deputy Liquidator for Ocean Risk Retention Group, Inc.  
Morris, Manning & Martin, LLP